



Billing Code 4910-81-P

DEPARTMENT OF TRANSPORTATION

Maritime Administration

Recognition Awards for U.S.-flag Vessel Usage

AGENCY: Maritime Administration, Department of Transportation.

ACTION: Notice.

SUMMARY: By this notice the Maritime Administration (MARAD) announces the “*U.S. Ships*” program to recognize private commercial entities that reach certain U.S.-flag vessel usage rates for the carriage of goods or private or governmental entities that otherwise make noteworthy contributions to utilization of U.S.-flag vessels. The initial nomination period for awards recognizing support for U.S.-flag carriage in 2015 will open January 4, 2016. MARAD will publish another Federal Register Notice prior to opening the nomination period to provide additional information about this program, including additional information on specific awards eligibility, criteria, and nomination procedures. Consistent with the established policy of the United States to encourage and aid the development and maintenance of a robust maritime industry, and MARAD’s mission to “foster, promote, and develop the merchant maritime industry of the United States,” MARAD will issue recognition awards to encourage the use of U.S.-flag vessels, whether in domestic or international commerce. This notice informs the public of this awards recognition program in anticipation of nominations and articulates the criteria for *U.S. Ships* recognition awards.

DATES: This policy is effective upon publication in the Federal Register. (See also **Paperwork Reduction Act** section.)

FOR FURTHER INFORMATION CONTACT: You may contact Clifford Johnson, Office of Cargo and Commercial Sealift, Maritime Administration, at (202) 366-2105. You may send mail to Mr. Johnson at Maritime Administration, 1200 New Jersey Avenue, SE, MAR 620, Washington, DC 20590-0001. You may send electronic mail to Clifford.Johnson@dot.gov.

SUPPLEMENTARY INFORMATION:

Background

The promotion of the United States maritime industry is a central mission of MARAD. The Merchant Marine Act of 1936 was enacted to promote a well-equipped and efficient fleet owned and operated by United States citizens and supported by domestic shipbuilding and repair facilities.¹ MARAD was specifically formed as a maritime promotional entity separate from the Federal Maritime Commission.² The Message of the President transmitting Plan 7 states that the “basic objective of the plan is to strengthen and revitalize the administration of our Federal programs concerned with the promotion and development of the U.S. merchant marine by concentrating responsibility in separate agencies for the performance of regulatory and promotional functions.”

It is central to MARAD’s promotional mission to encourage and aid the development of the U.S. merchant maritime industry. 49 U.S.C. 109(b). Consistent with the Military Cargo Preference Act of 1904 and the Cargo Preference Act of 1954, as implemented by 46 CFR part

¹ *American Trading Transportation Company, Inc. v. United States*, 791 F.2d 942, 944 (D.C. Cir. 1986).

² Reorganization Plan No. 7 of 1961, 75 Stat. 840 (August 12, 1961).

381, MARAD's Office of Cargo and Sealift Support maintains a program to ensure compliance with statutory requirements requiring U.S.-flag vessel carriage of Government-generated cargo. Just as important as encouraging the use of U.S.-flag vessels for the carriage of Government-generated cargo, it is part of MARAD's mission to encourage both private parties and Government agencies to use U.S.-flag vessels to carry their goods. The purpose of the *U.S. Ships* program is to help to encourage broad, voluntary use of U.S.-flag vessels in a manner complementary to required cargo preference.

Components of the *U.S. Ships* Recognition Program

By this notice, MARAD announces the establishment of the *U.S. Ships* recognition awards program as described below. The purpose of these recognition awards is to encourage the use of U.S.-flag vessels for carriage of exports, imports, cargoes moving in foreign waters, and goods moving within the United States and along its coasts. The awards are also intended to educate and remind the public of the value of a strong U.S. maritime industry for national security and economic stability.

***U.S. Ships* Logo**

MARAD will develop a *U.S. Ships* logo. Award recipients will be granted a license to display variations of the logo, as described below, on their premises, equipment, publications, advertising, uniforms, or correspondence within the context of being a *U.S. Ships* award recipient. Recipients may not use the logo to claim that the Department of Transportation or MARAD promotes or endorses their company, products, and/or services. *U.S. Ships* awardees will be permitted to display their status using the *U.S. Ships* logo and the year in which they earned the award. The logo will be released to recipients only in non-editable electronic format.

MARAD will have the right, at all reasonable times, to examine an award recipient's goods, services, and promotional activities employing a *U.S. Ships* logo to ensure that such use is reasonable, of proper quality, and is otherwise consistent with the license, and may terminate the license should it determine that the use is inconsistent.

The license is not assignable. Award recipients may not share the use of the *U.S. Ships* logo with any other person, organization, or company, nor may it transfer or assign its license to use the logo if its company is sold, merged, or reconfigured. An award recipient who hires subcontractors to perform manufacturing or distribution activities will be allowed to use the logo without risk of jeopardizing its license to use the logo.

Nomination and Review Process

Entities may apply, self-nominate, or be nominated for recognition by third-parties including Government agencies. MARAD reserves the right to request additional information to support nominations and to verify those nominations and supporting information. Individuals that make nominations will be required to certify that, to the best of their knowledge, the entity they are nominating is eligible for the specified *U.S. Ships* award. MARAD will provide information on how to submit nominations in a future Federal Register Notice.

MARAD will consider the information contained in a nomination or application to be business confidential and will treat it as such to the extent permitted by law.

MARAD will determine whether nominated entities have any business before or are under investigation by regulatory agencies. If MARAD determines that adverse information exists that would likely be adverse to the U.S. Government should the *U.S. Ships* award be granted, the nomination will be rejected without further consideration.

Awards for Fixing Cargo on U.S.-flag Vessels

These awards will recognize non-Governmental shipper entities that achieve specified U.S.-flag vessel usage rates for a calendar year as determined by gross revenue tons. Entities eligible to receive awards include any U.S. or foreign entity that achieved at least the applicable percentage threshold for U.S.-flag carriage during the applicable calendar year of their domestic movements of goods or international shipments other than Government-generated cargo. Covered carriage includes imports, exports, water carriage outside the United States, and freight and cargo shipments between points in the United States, including goods that might otherwise move over land. Recipients will be permitted to display the *U.S. Ships* logo for achievements at the following percentage levels of shipper freight or cargo carriage aboard U.S.-flag vessels:

- a. Gold – 50%-plus
- b. Silver – 40 – 49%
- c. Bronze – 30 - 39%

Percentage brackets may be adjusted in later years. Awards will authorize the licensed use of the appropriate level of *U.S. Ships* logo; award notices will be transmitted soon as possible after administrative approval, normally by the end of the first calendar quarter of each year.

Cargo Preference Ship Management and Resource Training (SMART) Awards

These awards will recognize private and Governmental entities which have at least 50% of their staffs involved in booking or cargo-preference-related processes successfully complete the Office of Cargo and Commercial Sealift online cargo preference training courses. These courses are currently under development and the first awards would be made for activities

undertaken in 2016. Recipients would qualify to display the blue *U.S. Ships* logo for a period up to three years, subject to subsequent recertification. This award is intended to distinguish shippers, freight-forwarders, and brokers which have facilitated U.S.-flag usage through staff education on cargo preference requirements. Awards will authorize the licensed use of the blue *U.S. Ships* logo; award notices will be transmitted at any time during the year as soon as possible after administrative approval.

The Extra Ton-Mile Awards

MARAD will accept nominations for noteworthy, non-numerical contributions to the utilization of U.S.-flag vessels through an annual nomination process. Up to six private or Governmental entities or individuals may receive this award annually. Eligible recipients include any individual or entity that engaged in activities other than the marketing of products that assisted or facilitated the usage of U.S.-flag carriage by providing financing, transportation, promotion, or other export or import assistance or facilitation service during the applicable calendar year. Recipients would receive official recognition from MARAD and would be permitted to use a special, red-white-and-blue *U.S. Ships* logo for a period of three years following receipt. MARAD will announce recipients of these awards at its annual Maritime Day observance. The following is a non-exclusive list of actions that might qualify for this award:

- Exclusive use of U.S.-flag carriage to the extent available.
- Significantly increased usage of U.S.-flag carriage through voluntary action.
- Exceptional advocacy encouraging the use of U.S.-flag vessels or compliance with MARAD's cargo preference requirements.

- Exceptional facilitation of U.S.-flag vessel usage.
- Development of technical advances or commercial practices that facilitate or enhance U.S.-flag vessel usage.
- Employment of high-performance business processes to ensure U.S.-flag vessel usage.

The Maritime Administrator will appoint a panel of Federal officials to consider all nominations and recommend recipients to the Maritime Administrator, who will make final award determinations.

POLICY ANALYSIS AND NOTICES

Consistent with the Administrative Procedures Act and Department of Transportation rulemaking policy, MARAD is publishing this notice in the Federal Register to indicate how it plans to exercise the discretionary authority provided by 49 U.S.C. 109. Nothing in this notice or in the policy itself requires MARAD to exercise its discretionary authority under the law.

STATUTORY AND EXECUTIVE ORDER REVIEWS

Under Executive Order 12866, Regulatory Planning and Review (58 FR 51735, October 4, 1993), this action is not a “significant regulatory action” and, is, therefore, not subject to review by the Office of Management and Budget (OMB).

Paperwork Reduction Act: Under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501-3520), a Federal agency must obtain approval from the OMB for each collection of information it conducts, sponsors, or requires. The *U.S. Ships* recognition awards program may impose new collection requirements when MARAD opens the nomination period. MARAD will

conduct a full PRA analysis and include it in the Federal Register Notice released at that time and obtain an information collection number if required.

(Authority: 49 U.S.C. 109)

Dated: May 26, 2015.

By Order of the Maritime Administrator.

Thomas M. Hudson, Jr

Secretary, Maritime Administration

[FR Doc. 2015-13019 Filed: 5/28/2015 08:45 am; Publication Date: 5/29/2015]